

NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

1. Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST
 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901
 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name:	Phone:	Fax:	E-mail:
Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov

(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 38858 Date filed: 09/11/2014 11:15 AM
 State Admin Rule Filing Key: 155622
 Utah Admin. Code ref. (R no.): R 590 - 259 -
 Changed to Admin. Code ref. (R no.):

Title

2. Title of rule or section (catchline):
 Dependent Coverage to Age 26.

Notice Type

3. Type of notice: Amendment

Rule Purpose

4. Purpose of the rule or reason for the change:
 This rule is being updated to comply with the Affordable Care Act, PHSA 2714, Extension of Dependent Coverage, and to make technical changes.

Response Information

5. This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

6. Summary of the rule or change:

Changes to the rule include: removing references in Section 3 and 9 to the Utah Comprehensive Health Insurance Pool (Pool), which is no longer functioning; adding a subsection to clarify when an adult child can be excluded from a parent's health policy; removing Sections 5 and 6 because of changes by the Affordable Care Act (ACA) relating to dependent coverage to age 26 that now supersedes this rule; removing Section 7 that is no longer needed because it deals with health plans beginning before January 1, 2014; removing Section 8 because it is now covered in Rule R590-269; removing Section 9 because it deals with certification of insurability through the Pool, which no longer exists; and changing the name CHAMPUS to TRICARE.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

These changes have no fiscal impact on the department or state budget. They are essentially technical changes that withdraw responsibility for the regulation of dependent coverage from the state to the federal government via the ACA. Insurers have already made this adjustment. The federal ACA regulations are similar to those of our state, providing even more consumer protections. Insurers have already adjusted to these changes.

B) Local government:

Affected: No

The changes to this rule deal with the withdrawal of regulatory requirements dealing with dependent insurance coverage to the age of 26 that is now the responsibility of the federal government. Local government has no regulatory authority in this matter.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

Insurance agencies should have had very little if any fiscal impact as a result of these changes. Their insurers are still covering dependents to the age of 26, even dependents that were previously uninsurable. Agents no longer have to find coverage for uninsurable dependent through the Pool.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Individuals up to the age of 26 still have coverage under their parents' policies, only now under ACA regulations, they have coverage regardless of their dependent status and their insurability. Those who obtain coverage through an employer and are then excluded from their parent's plan, are guaranteed coverage in an individual plan. No longer can they be denied coverage by an insurer. Insurers who are now covering these individuals are allowed to adjust their rates to take in the additional risk.

Compliance Cost Information

8. Compliance costs for affected persons:

Individuals up to the age of 26 still have coverage under their parents' policies, only now under ACA regulations, they have coverage regardless of their dependent status and their insurability. Those who obtain coverage through an employer and are then excluded from their parent's plan, are guaranteed coverage in an individual plan. No longer can they be denied coverage by an insurer. Insurers who are now covering these individuals are allowed to adjust their rates to take in the additional risk.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

The changes being made to this rule started to take effect in 2010. To date we are not aware of any fiscal impact that this has had on business in Utah.

B) Name and title of department head commenting on the fiscal impacts:

Todd E. Kiser, Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-2-201(3)

31A-2-212(5)(b)

31A-22-605(4)

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer

than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

10/31/2014

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm
AM/PM):

At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

11/07/2014

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After a minimum of seven days following the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
health insurance open enrollment

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Todd Kiser
Commissioner

Date
(mm/dd/yyyy): 09/11/2014